

BUSS & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

CLINTON TOWNSHIP, MICHIGAN

ECONOMIC DEVELOPMENT CORPORATION
CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
ANNUAL FINANCIAL REPORT
December 31, 2005

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

ECONOMIC DEVELOPMENT CORPORATION

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name OF THE CHARTER TOWNSHIP OF CHESTERFIELD	County MACOMB
Fiscal Year End 12/31/05	Opinion Date 6/6/06	Date Audit Report Submitted to State 6/19/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

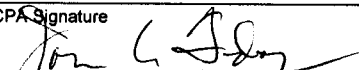
YES ☒ NO ☐

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) BUSS & COMPANY, P.C.		Telephone Number 586-263-8200	
Street Address 42550 GARFIELD, SUITE 105		City CLINTON TWP.	State MI
		Zip 48038	
Authorizing CPA Signature 		Printed Name JOHN E. GIDEON	
		License Number 1101007016	

BUSS & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

INDEPENDENT AUDITOR'S REPORT

June 6, 2006

Board of Directors
Economic Development Corporation
Charter Township of Chesterfield
County of Macomb, Michigan

Honorable Members:

We have audited the accompanying financial statements of the Economic Development Corporation of the Charter Township of Chesterfield, County of Macomb, Michigan as of December 31, 2005 and for the year then ended. These financial statements are the responsibility of the Economic Development Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Economic Development Corporation has not presented Management's Discussion and Analysis that the Governmental Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, except for the effects, if any, of not providing Management's Discussion and Analysis, the financial statements present fairly, in all material respects, the financial position of the Economic Development Corporation of the Charter Township of Chesterfield, County of Macomb, Michigan, as of December 31, 2005, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,

BUSS & COMPANY, P.C.



Certified Public Accountants

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BUSS & COMPANY, P.C.CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

Exhibit A

ECONOMIC DEVELOPMENT CORPORATION
CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BALANCE SHEET/STATEMENT OF NET ASSETS
December 31, 2005

	<u>TOTAL</u>	<u>ADJUSTMENTS</u>	<u>STATEMENT OF NET ASSETS</u>
<u>ASSETS:</u>			
Cash accounts - Checking and Certificate of Deposit	\$ 7,639	\$ -	\$ 7,639
 Total Assets	 \$ 7,639	 \$ -	 \$ 7,639
 <u>LIABILITIES</u>			
	\$ -	\$ -	\$ -
 <u>FUND BALANCE/NET ASSETS:</u>			
Fund balance	\$ 7,639	(\$ 7,639)	\$ -
 Total Liabilities and Fund Balance	 \$ 7,639		
 Total Net Assets		 \$ 7,639	 \$ 7,639

See accompanying notes to financial statements.

ECONOMIC DEVELOPMENT CORPORATION
CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2005

	<u>TOTAL</u>	<u>ADJUSTMENTS</u>	<u>STATEMENT OF ACTIVITIES</u>
<u>EXPENDITURES/EXPENSES:</u>			
Bank charges	\$ 120	\$ -	\$ 120
Meeting fees	<u>350</u>	<u>-</u>	<u>350</u>
Total Expenditures/Expenses	<u>\$ 470</u>	<u>\$ -</u>	<u>\$ 470</u>
 PROGRAM REVENUES	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>
 NET PROGRAM EXPENSE		 <u>\$ -</u>	 <u>\$ 470</u>
<u>GENERAL REVENUES:</u>			
Interest income	<u>\$ 162</u>	<u>-</u>	<u>162</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (\$ 308)	 \$ 308	
 CHANGE IN NET ASSETS		 (308)	 (\$ 308)
<u>FUND BALANCE/NET ASSETS:</u>			
Beginning of year	<u>7,947</u>	<u>-</u>	<u>7,947</u>
End of year	<u>\$ 7,639</u>	<u>\$ -</u>	<u>\$ 7,639</u>

See accompanying notes to financial statements.

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Exhibit C

ECONOMIC DEVELOPMENT CORPORATION
CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:

Expenditures/Expenses (\$ 470)

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES -

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES -

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest 162

NET DECREASE IN CASH (\$ 308)

BALANCES - BEGINNING OF THE YEAR 7,947

BALANCES - END OF THE YEAR \$ 7,639

See accompanying notes to financial statements.

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ECONOMIC DEVELOPMENT CORPORATION
CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 1 - PURPOSE AND ACCOUNTING POLICIES:

The corporation is organized pursuant to Act 338 of Public Acts of 1974, as amended, to perform essential public services and functions of the Township. These purposes include the prevention of unemployment, the assistance and retention of local industries and commercial enterprises and an encouragement for location and expansion of industries and enterprises within the Township boundaries. The accomplishment of the above process is aided primarily by the vehicle of limited revenue bonds, such bonds being authorized by Act 338. The corporation utilizes the accrual basis of accounting.

NOTE 2 - CURRENT PERIOD ACTIVITY AND PROJECT STATUS:

There were no applications received during the current period. Action on all prior applications has lapsed.

NOTE 3 - ASSETS AND LIABILITIES OF ECONOMIC DEVELOPMENT CORPORATION:

The recorded assets of the Economic Development Corporation include only the operations cash account. Issued bonds, project assets and the purchase-lease arrangement are not recorded in that these items took on an indirect nature upon completion of a simultaneous signing of the bond and purchase-lease agreements. The limited revenue bonds are neither a direct obligation of the Charter Township of Chesterfield or the Economic Development Corporation. Payment of these bonds can come only from the project revenues or project assets. The bondholder has a mortgage lien against the project assets and all bond and interest payments are made directly by the project user to the bondholder with neither the Township nor the Economic Development Corporation being recipient of same.